GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4211
ANSWERED ON:15.12.2000
DISBURSEMENT OF LOAN BY IDBI
TUFANI SAROJ

Will the Minister of FINANCE be pleased to state:

(a) Whether the volume of loan advanced by IDBI (Industrial Development Bank of India) has declined during the current financial year;

(b) If so, the reasons therefor;

(c) the percentage decline in loan distribution by IDBI during 2000 as compared to 1998 and 1999;

(d) whether there has been a decline in the Industrial Production index during the first eight months (from April to November) of the current financial year;

(e) if so, the details thereof;

(f) the reasons therefor; and

(g) the remedial steps taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (c) Comparative data on overall disbursements of IDBI during April-November of fiscal years 2000, 1999 and 1998 are given in the table below which indicate that there has been a marginal increase in disbursements during the current year .

April-November, 2000	9360.91
April-November, 1999	9252.65
April -November, 1998	7844.90

(d) to (g) Overall growth rates of industrial production during April- October, 2000 was 5.7% as compared to 6.7% during the corresponding period last year. Major reasons for the industry`s slow down were :

(i) Slackening in aggregate demand coupled with decline in rural demand owing to low agricultural output

(ii) slow down in general investment climate

(iii) Erosion of competitive advantage of Indian exports due to steep Depreciation Of South East Asian currencies

(iv) Persistence of infrastructure bottlenecks, and

(v) Increasing competition from imports as a result of opening of the economy

The Government has been taking various policy initiatives to accelerate the industrial Growth rate by continued reforms in industry

including Foreign Direct Investment Policy, EXIM Policy, infrastructure, information technology and financial sectors assistance Industry to improve its efficiency, productivity and international competitiveness.